

October 30, 1998

Lawrence Noble, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

MUR 4856

Re: Illegal Excessive Contributions to Charles Schumer's Senatorial Campaign by the
Liberal Party of New York State and the Independence Party of New York

Dear Mr. Noble:

Charles Schumer's campaign for United States Senate has knowingly and willfully violated the Federal Election Campaign Act of 1971, as amended (the "Act"), by accepting excessive coordinated campaign contributions from three party committees. The Act permits one party to provide such coordinated expenditures. Given that the election is fast-approaching, such violations warrant immediate action by your office.

Coordinated party expenditures are subject to certain limitations, as set forth in Section 441a(d) of the Act. Such expenditures, although made in coordination with the candidate, are made by the political party. 11 C.F.R. § 110.7(b). If the strict limits of 2 U.S.C. 441a(d) are not followed, such funds count as contributions by the party to the candidate.

As the Democratic nominee for U.S. Senate from New York in the upcoming November 3, 1998 election, Mr. Schumer has received the maximum allowable coordinated party expenditures from the Democratic Party. 2 U.S.C. 441a(d).

Mr. Schumer is a life-long Democrat and a veteran of several campaigns for Federal office, having served as the Representative of the 9th District of New York since 1981. Prior to his election to Congress, Mr. Schumer served in the New York State Assembly, where he was

subject to a year-long Federal Grand Jury investigation for illegally using state employees for his first Congressional campaign.

Despite his life-long involvement and representation of the Democrat Party, Mr. Schumer is also the nominee of both the Independence Party of New York (an affiliate of the Reform Party USA), and the Liberal Party of New York. The Federal Election Commission has ruled that the Reform Party has qualified as a national committee of a political party. Advisory Opinion ("AO") 1998-02, *Federal Election Campaign Financing Guide* ("CCH") ¶ 6259. The Commission has also recognized that the Independence Party of New York has qualified as the State committee of the Reform Party. *Id.* Similarly, the Liberal Party of New York has qualified as a political party committee.

While multi-party nominations are permitted under New York law, Federal election law limits coordinated expenditures to one party committee. See 2 U.S.C. § 441a(d) and FEC Advisory Opinions ("AOs"), discussed below. However, Schumer's series of TV ads that began after the close of the final FEC reporting period before the election are being paid for illegally by the Liberal Party and the Independence Party. A search of the public broadcast records in New York State indicates that of a \$992,000 downstate buy in the week before the election, the Liberal Party spent \$662,000; the Schumer for Senate Committee spent \$317,440, and the DSCC spent \$89,280. Similarly, upstate, the Independence Party paid approximately two-thirds, or \$275,000, for ads advocating Mr. Schumer's election. The disclaimers confirm the existence of coordination, removing any possibility that the ads were independent expenditures. Accordingly, these ads are knowing and willful attempts to void the limits of party spending in this election.

Further, upon information and belief we allege that the same donors who provided funding for the Democrat party provided funds for the ads being run by the Liberal Party and the Independence Party.

This high-priced advertising barrage, as well as all other expenditures made by the Liberal and Independence Parties, are excessive and unreported contributions to the Schumer

campaign, accepted by Schumer in violation of the Act. Given that Schumer's campaign has already accepted coordinated party expenditures from the Democrat Party, it may not now triple-dip, and accept similar expenditures from other party committees.

The Commission's Regulations clearly limit the amount that may be expended to benefit a candidate. 11 C.F.R. § 110.7(2) ("The expenditures shall not exceed -- (i) In the case of a candidate for election to the office of Senator . . . the greater of -- (A) Two cents multiplied by the voting age population of the State; or (B) Twenty Thousand dollars . . ."). Such additional expenditures can only be viewed as excessive contributions, accepted by the Schumer campaign in knowing violation of the Act.

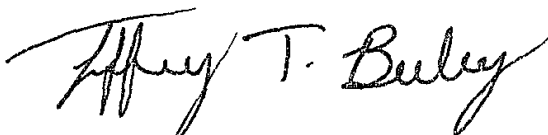
Similar efforts by candidates to circumvent the Act's prohibitions and limitations by accepting contributions as the nominee for more than one party have consistently and unambiguously been explicitly rejected by the Commission. In AO 1994-29, CCH ¶ 6137, the Commission ruled that a candidate who was seeking nomination by two political parties for the same seat in the U.S. House of Representatives was nonetheless subject to a single contribution limit, and was not entitled to a separate limit for each candidacy. In AO 1982-47, CCH ¶ 5689, the Commission ruled that a New York candidate seeking the nomination of three political parties for the same Federal office was considered to be running in one election for purposes of the contribution limits. The Commission found that this was the case for both the primary and the general election.

Mr. Schumer cannot justify such a knowing and willful violation of the campaign finance laws by claiming that the Liberal and Independence Parties' funds permits multiple coordinated party expenditures. As the Commission has explained, the purpose of the limitations on coordinated expenditures is "to equalize treatment, as much as possible, among major party candidates, minor party candidates, and independents with respect to the availability of contribution limits." AO 1994-29, CCH ¶ 6137.

Mr. Schumer, however, is making a mockery of the contribution limits in the Act and Regulations, and thwarting their central purpose. His utilization of party expenditures from several political parties directly contravenes the equalization contemplated by the Commission: "The purpose is not to expand contribution limit opportunities for major party candidates seeking more than one party's nomination." AO 1994-29, CCH ¶ 6137. More importantly, the acceptance of such excessive contributions is a knowing and willful violation of the Act and Commission Regulations themselves.

For the foregoing reasons, I respectfully request that the Commission take immediate action, due to the November 3, 1998 election and force Mr. Schumer to refund the funds illegally spent on his behalf.

Sincerely,



Jeffery T. Buley
General Counsel
New York Republican State Committee
315 State Street
Albany, NY 12210

City of: Albany
State of: New York

SUBSCRIBED AND SWORN to before me this 31st day of October, 1998.



Notary Public

My Commission Expires:

Kevin R. Grelco
Notary Public, State of New York
01GR6010079
Qualified in Albany County
Expires July 08, 2000

MEMORANDUM

HERE'S THE BUY
INFO.

TO: GREG STRIMPLE
STEVE BERLIN

FROM: ARIS MCMAHON

DATE: OCTOBER 26, 1998

RE: SCHUMER TELEVISION COMPETITIVE

Chuck Schumer has placed a schedule on New York State television. Current markets are New York City, Albany, Buffalo, Rochester, Syracuse. Schedules have yet to be placed in Binghamton, Elmira, Utica, and Watertown. Spot lengths are :30, :15, and :10.

INCLUDED IN THESE COSTS ARE SCHUMER AUTHORIZED USE ADS PLACED BY THE LIBERAL PARTY, THE INDEPENDENCE PARTY, AND THE NEW YORK STATE DEMOCRATIC COMMITTEE. THESE USE ADS ARE ALL BEING PLACED BY MORRIS AND CARRICK.

The flight dates are October 27 to November 3. The cost of this schedule is \$1,449,765.

MARKET	FLIGHT	COST	GRP.
New York City	10/27 - 11/3	\$992,055	1,500
Albany	10/27 - 11/3	\$103,900	1,100
Buffalo	10/27 - 11/3	\$133,000	1,300
Rochester	10/27 - 11/3	\$69,310	1,200
Syracuse	10/27 - 11/3	\$41,500	550
Downstate Cable	10/27 - 11/3	\$75,000	N/A
Upstate Cable	10/27 - 11/3	\$35,000	N/A
TOTAL COST		\$1,449,765	

Please call me with any questions at (703) 739-2160.



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CSFS TV :30
"ETHICS"

ANNCR.

D'AMATO RAISES PROPERTY TAXES SIX TIMES.

D'AMATO REQUIRES GOVERNMENT WORKERS TO KICK
BACK SALARIES.

D'AMATO TAKES HUNDREDS OF THOUSANDS IN
SPEAKING FEES FROM SPECIAL INTERESTS.

D'AMATO REBUKED BY SENATE ETHICS COMMITTEE.

D'AMATO CONDUCTS PARTISAN HEARINGS ON
HILLARY CLINTON.

D'AMATO VOTES WITH GINGRICH TO CUT MEDICARE.

D'AMATO VOTES TO CUT HEADSTART, STUDENT
LOANS, AND AGAINST SCHOOL STANDARDS.

D'AMATO OPPOSESES CAMPAIGN FINANCE REFORM.

D'AMATO: TOO WRONG FOR TOO LONG.

NOW RUNNING W/ INDEPENDENCE
PARTY DISCLAIMER.

Paid for & Authorized by Schumer '98
and Indep. Party.

has also run as
Paid for by Schumer '98

CSFS TV :30
"HYPOCRISY"

ANNCR: FOR WEEKS AL D'AMATO'S ATTACKED CHUCK SCHUMER ON MISSED VOTES.

AMD: THE PEOPLE EXPECT US TO BE THERE. FIGHTING, MAKING A DIFFERENCE.

ANNCR: BUT WHEN AL D'AMATO FIRST RAN FOR THE SENATE, D'AMATO MISSED 966 VOTES.

VOTES TO PROTECT SENIORS AND DOMESTIC VIOLENCE VICTIMS, TO FIGHT OCEAN DUMPING AND TO IMPROVE CHILD NUTRITION.

D'AMATO EVEN MISSED THE VOTE ON THE BUDGET.

AMD: THE PEOPLE EXPECT US TO BE THERE, FIGHTING, MAKING A DIFFERENCE.

ANNCR: SENATOR AL D'AMATO, AFTER 18 YEARS, WHEN WILL THE HYPOCRISY STOP?

Just aired today

Paid for and authorized by
Liberal Party & Schumer '98.